

STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Mark Miller
Representative Mark Pocan

Date: October 21, 2010

Re: Department of Revenue Consumer Price Index (CPI)

Attached is a report on Consumer Price Index from the Department of Revenue, pursuant to s. 79.05(2m), Stats.

The Department of Revenue on an annual basis must certify to the Joint Committee on Finance the percentage change in the Consumer Price Index used to determine a municipality's eliminable for a payment under the expenditure restraint program.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

MM:MP:jm



State of Wisconsin • DEPARTMENT OF REVENUE

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Jim Doyle
Governor

Roger M. Ervin
Secretary of Revenue

October 19, 2010

The Honorable Mark Miller, Co-Chair
Joint Committee on Finance
State Capitol, Room 317 East
Madison, WI 53702

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BY: *St. Finance*

The Honorable Mark Pocan, Co-Chair
Joint Committee on Finance
State Capitol, Room 309 East
Madison, WI 53702

Dear Senator Miller and Representative Pocan:

State law requires the Department of Revenue annually, on November 1, to certify to the Joint Committee on Finance the percentage change in the Consumer Price Index for all urban consumers (CPI-U) to be used in determining the inflation factor under the expenditure restraint program. The Department certifies that this CPI-U percentage change is 1.7%. This certification pertains to the 2012 payments under the program.

Since this percentage change is below the 3 percent minimum established for the inflation factor under 2009 Wisconsin Act 28, the inflation factor for 2012 payments under the expenditure restraint program will be set at 3 percent.

Sec. 79.05(1)(am), Wis. Stats., as amended by Act 28, provides that the inflation factor for the expenditure restraint program be established at the average annual percentage change in the CPI-U, U.S. city average, for the twelve months ending on September 30 but no less than 3 percent. The Department's certification of the CPI-U percentage change to compare with the 3 percent minimum is required in sec. 79.05(2m).

Calculation of the CPI-U for the twelve months ending September 30, 2010, is shown in the attached table. If you have any questions about our calculation, please contact me.

Sincerely,

Roger M. Ervin
Secretary of Revenue

Attachment

Consumer Price Index for All Urban Consumers (CPI-U)
U.S. City Average, All Items, Not Seasonally Adjusted
1982-84=100

Source: Bureau of Labor Statistics, U.S. Department of
Labor

	2008-09	2009-10
October	216.573	216.177
November	212.425	216.330
December	210.228	215.949
January	211.143	216.687
February	212.193	216.741
March	212.709	217.631
April	213.240	218.009
May	213.856	218.178
June	215.693	217.965
July	215.351	218.011
August	215.834	218.312
September	215.969	218.439
Average	213.768	217.369
% Change		1.7